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THE FARM INDEX

August 1968

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Summer Holiday Harvest
Merchants
at the Crossroads
The Import of Exports

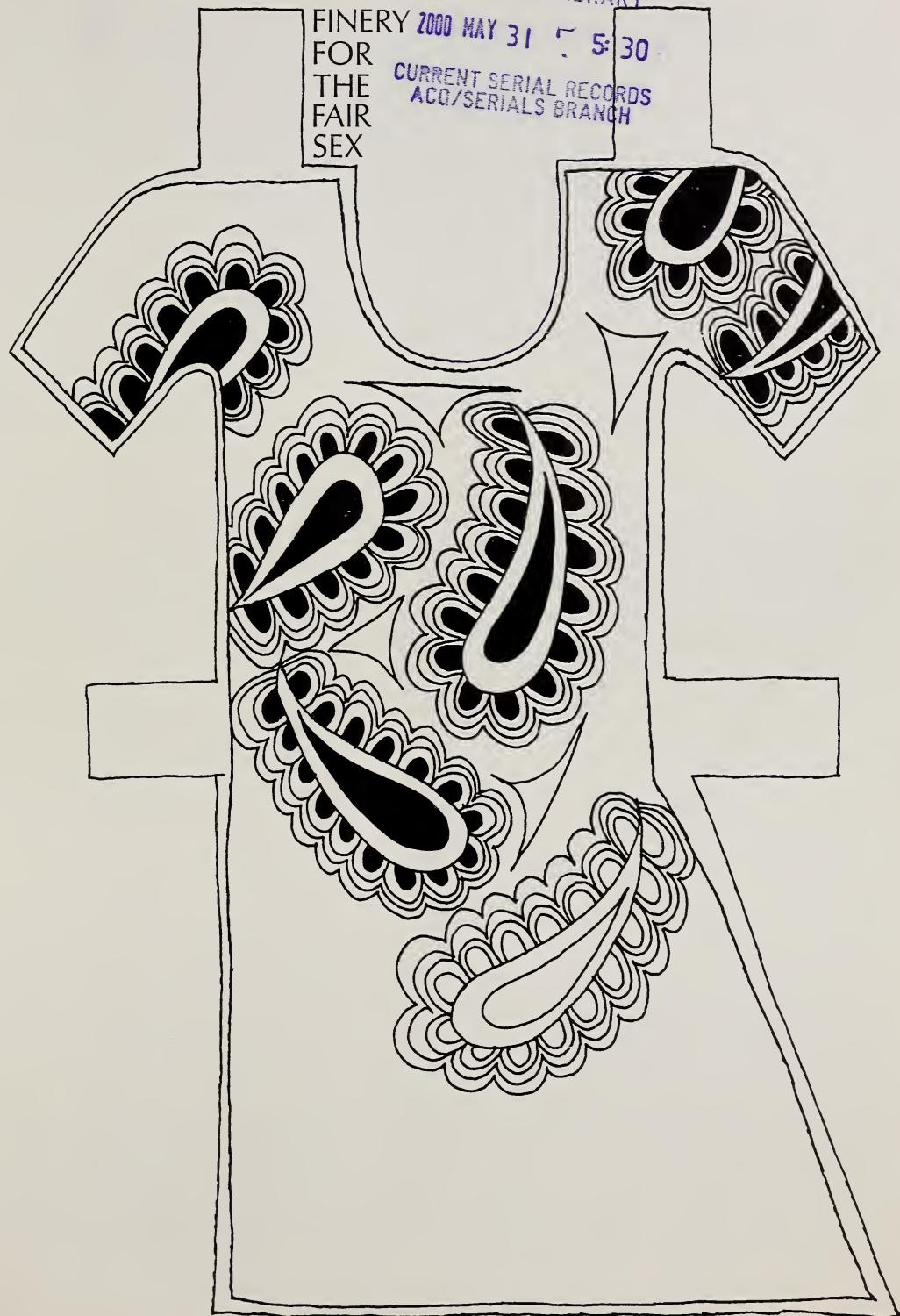
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THE AGRICULTURAL OUTLOOK

Record Wheat Crop At Home . . .

Realized gross farm income topped the \$50 billion mark (seasonally adjusted annual rate) for the first time in the first 6 months of this year. This was about \$1 billion above the rate in early 1967. Gain was due to a rise in cash receipts from farm marketings.

But, the persistent rise in production expenses offset a large part of the gain in gross income, so that realized net farm income is estimated at an annual rate of \$14.6 billion for January-June 1968, just above a year earlier.

Plenty of Vegetables for Processing

This year's harvest of vegetables for processing will be much larger than in 1967, judging by all indications through early summer.

Nine major vegetables account for about 95 percent of total annual output for commercial processing. And the combined acreage of the big nine is 4 percent above last year.

Increased plantings have been reported for all except cucumbers for pickles, contract cabbage for kraut, and spinach. Some decline is therefore expected in output of these vegetables, and perhaps lima beans. But increases are in sight for green peas and snap beans. Record production is possible for beets and sweet corn, and virtually a certainty for tomatoes, because of increased acreages.

Total output of vegetables for processing will probably be about a tenth larger than in 1967 and more than a fourth above the 1962-66 average. The total canned pack is expected to be substantially larger than last year's. Frozen vegetable output in 1968 may total about the same as last year with fewer peas, fordhook limas, and spinach offsetting sizable increases in others.

This year's record wheat crop (indicated at 1,588 million bushels) and the carryover on July 1 add up to larger U.S. supplies of wheat this season than last.

With big crops in Canada, Western Europe, and North Africa, world supplies are also expected to be larger. So U.S. wheat will continue to face keen competition in foreign markets.

And even if exports equal last season's volume of about 750 million bushels, U.S. carryover stocks on July 1, 1969, are likely to be well above those at the beginning of this season.

While farm prices for wheat in 1968/69 may not be as high as 1967/68 levels, they probably will average somewhat above the national loan rate of \$1.25 per bushel.

. . . and a Near Record Abroad

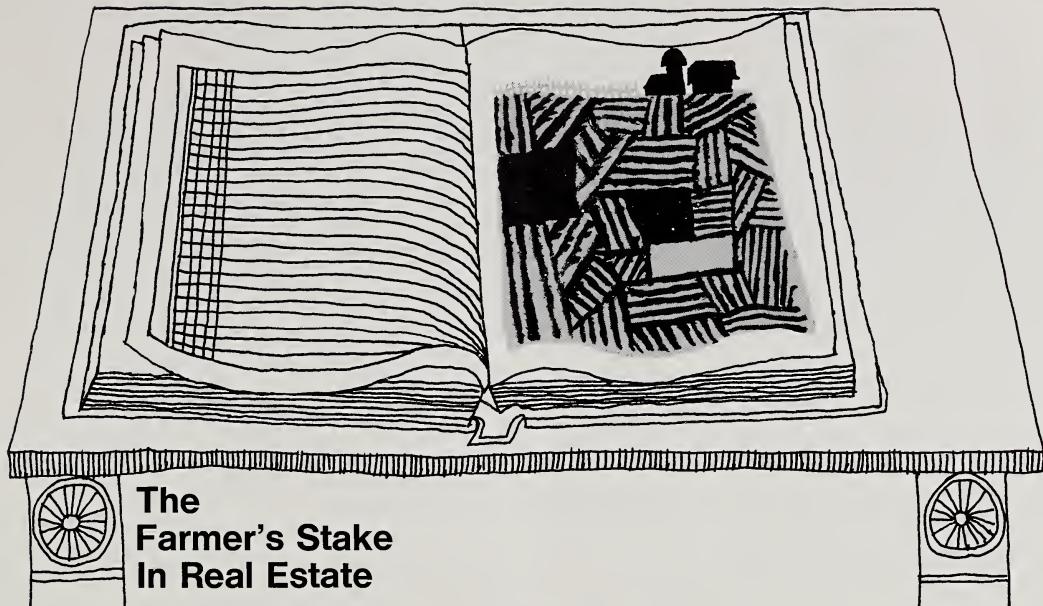
As of early July, a near-record grain crop is in prospect for Western Europe. Total area planted to grain is up about 400,000 hectares to almost 42 million hectares (about 105 million acres).

But size of the harvest is not expected to vary much from the record crop of 1967 which had the advantage of excellent weather conditions, while this year's is developing under conditions only generally favorable.

Feedlot Numbers Increasing

The number of cattle feedlots with a capacity of 1,000 head or more was 2,008 during 1967 in the 32 major cattle feeding States. This is 32 percent above 1962. During the same period, the number of cattle marketed from these feedlots increased over 75 percent, to just over 9 million.

Smaller feedlots were 11 percent fewer than in 1962 but accounted for 11.8 million cattle sold—a greater number than the larger lots.



The Farmer's Stake In Real Estate

Land is the biggest credit, as well as debit, in farm ledger books. Here's a rundown of some recent developments in the farm real estate market.

Land is the U.S. farmer's most valuable asset.

All told, it represented about \$193.7 billion—or two-thirds—of total farm assets on March 1, 1968.

Although farm operators own only three-fifths of the total, they still have a big stake in the farm real estate market.

What happens to land values affects not only farmers' assets, but their liabilities and operating costs, too.

Here's a wrap-up of recent developments in the farm real estate market—and some close-ups of happenings in selected regions.

Tract transfers. During the year ended March 1, 1967, an estimated 110,700 tracts of land—representing nearly 26 million acres—were exchanged on the market. An additional 16,000 tracts changed hands as a result of inheritance, or other means.

Voluntary transfers were at a rate of 31.1 per 1,000 farms. The rate of foreclosures dropped to a new low of 0.8 per 1,000 farms.

Selling size. Forty-three percent of the tracts sold were smaller than 100 acres, only 6 percent topped 500 acres.

Small tracts are a popular trading size for both buyers and sellers.

The men who buy farmland, especially those seeking to enlarge their farms, prefer parcels from existing farms or small complete farms, particularly if capital is limited.

On the seller's side, most operators of farms bigger than 500 acres rent some of their land. Consequently, the number of large farms that can be sold as complete units is relatively low.

Price patterns. Nationally, the average value of an acre of farm real estate was \$178 on March 1, 1968. But this figure varied by region, type of land, and size of tract.

By region, per acre land values averaged as high as \$360 in the Corn Belt, as low as \$59 in the Mountain States.

By land class, pastureland was valued at about \$27 per acre in the Mountain States, while non-irrigated cropland sold for \$85, and irrigated land for \$377.

In the Pacific Region, per acre values were put at \$112, \$358, and \$1,525 for pastureland, non-irrigated, and irrigated land, respectively.

By size of tract, prices per acre ranged from \$94 for units of 1,000 acres or more to \$640 for tracts of 10 to 49 acres.

The men in the market. Sellers generally were farmers, either active or retired, at the time of the transfer.

Retirement was the most common reason given for selling off land. But profit taking also figured prominently, particularly in Florida and California specialty crop areas. Profits prompted more than half the farmland sales in Florida and a third of those in California. Selling off land in order to switch to another job was most common in industrial regions of the country.

Buyers of farmland most often were other farmers. And most of them bought the land to enlarge their farm holdings. (1)

Profile of the Delta Land Market Differs Little From U.S. Picture

You can't really put a whole region of the United States under a microscope. But you can focus in quite closely on a land market in a particular area: for example, the Mississippi River Delta cotton region during 1964-65.

Economists in ERS and the Louisiana Agricultural Experiment Station got a close look at this area by analyzing data from 17 counties and parishes in Arkansas, Louisiana, and Mississippi.

They found that small land parcels of less than 120 acres made up three-fifths of the tracts transferred. Only a tenth of the tracts on the market were larger than 640 acres.

After sale, most of the land ended up as part of another farm;

only a sixth of the tracts were farmed as independent units. About a fifth were rented out.

Buyers of Delta land were generally farmers who planned to add the land to existing operations. Nonfarm buyers, who represented 25 percent of the total, frequently rented the land.

In addition to farm enlargement, 3 percent of the farmer-buyers bought to replace land sold, 5 percent wanted to move up the agricultural ladder from tenant to owner, and about 2 percent bought to obtain larger cotton allotments.

The vast majority of the purchasers had checked out the land's productive capacity before tendering an offer.

About a fifth of the buyers didn't intend to buy any more land. But 14 percent were still in the market. The remainder said they would buy only if

an attractive opportunity arose.

On the sellers' side, about half were active or retired farmers; about a fourth lived outside the county where the property was located. The majority of the sellers had been renting out their land prior to selling it.

Retirement, health, and age figured most prominently as reasons for selling land. Financial pressure was listed by about a sixth of the traders as their primary motive for selling.

Land values in the Delta area were estimated at about \$85 an acre for woodland, \$231 for openland, and \$316 for cotton allotments.

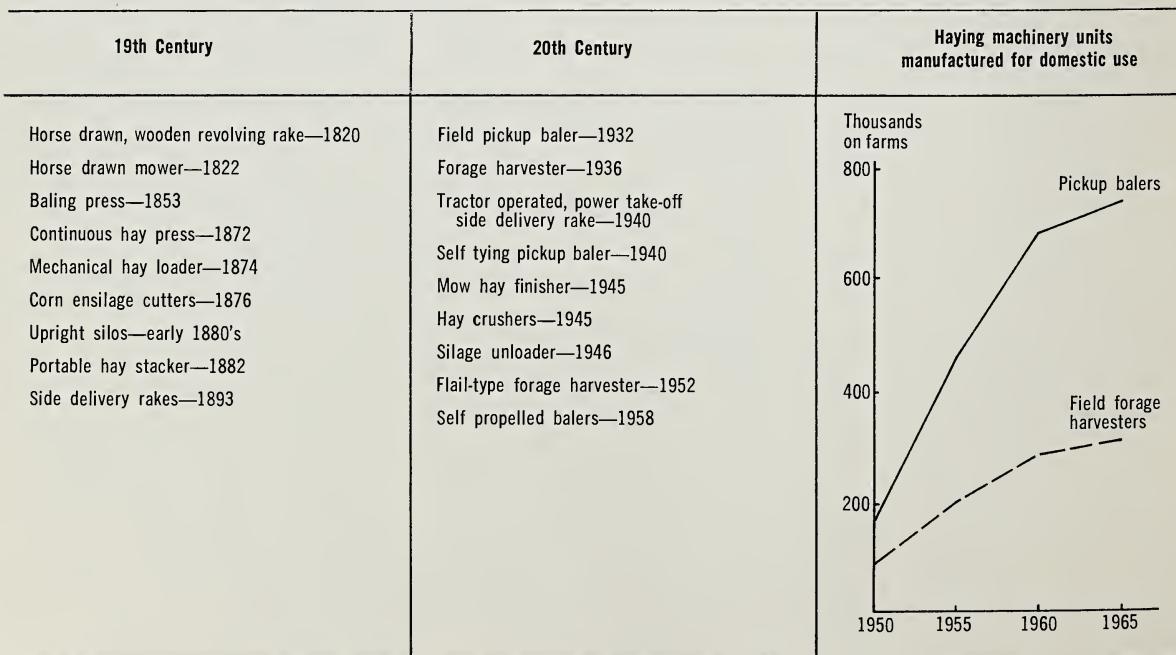
Two-thirds of the buyers said that they paid the seller's first asking price. Less than one-fifth bargained. But when they did, it affected the price in two-thirds of the transactions. (2)

THE SICKLE AND SCYTHE'S SUCCESSORS: For 5,000 years or so, harvesting hay was mainly a hand operation. Then, in the mid-1800's, a number of machines came along to revolutionize haying.

By 1865 nearly all hay in this country was cut mechanically, except on the roughest ground. The early decades of this century have been

ones of refining and perfecting the machines of the past.

Some milestones in the history of haying machinery and equipment are shown below. The dates given indicate the years the various machines first appeared on the U.S. farm scene. In some cases, commercial production didn't start until several years later. (3)



Farmer Who Grows Wheat and Barley On Idaho Dryland Hoes a Hard Row

Scratch any farmer, find a man with problems.

But the farmer working in a dryland wheat-barley operation in southeastern Idaho may have more than his share.

Like most farmers, he faces continually increasing production costs. But he also struggles against declining prices for his dominant crops, wheat and barley.

His crop yields haven't changed much in the past 20 years and there's slim chance of their increasing noticeably in the immediate future. Given the nature of dryland production, output is almost completely at the mercy of the weather.

The dryland Idaho farmer must, of course, work within the limits of farm programs. Meanwhile, he is increasingly hit by competition from other regions as the result of recently lowered freight rates for grain going to terminal markets.

With all this, he stands little chance of changing his luck by turning to some other enterprise. There simply isn't much else he can produce.

ERS economists recently set out to study what farmers in this region—and others bound by similar restrictions—might do, given different market prices. Their analysis took the form of projections of various supply levels for 1970 resulting at different prices.

The 13 southeastern counties making up the study area each produced more than 50,000 bushels of hard red winter wheat in 1965. It is grown in the arable land lying between the irrigated river valleys and the higher range and forested areas with some of the farms at more than mile-high altitudes.

While the counties are not the most important wheat producing

area in the State, they are apt to be hardest hit by low wheat prices and acreage restrictions, because of the limited number of options and the lack of meaningful economic alternatives.

Wheat and barley compete for

Rental Rates React

Cash rental rates have risen apace with keener competition for farmland and higher market prices.

In 1966 an acre of U.S. farmland rented for \$9.55 on the average. This was 6 percent higher than in 1965.

Gross rental rates per acre for cash tenant farms were \$23.00 and \$22.70 in the Appalachian and Corn Belt States, respectively, in 1966. The Appalachian land frequently included tobacco allotments.

Of course, gross rental rates do not take into account landlords' costs for fire and wind insurance, depreciation, building maintenance, repairs, and taxes. However, estimates of net rents for the 48 States averaged about 4 percent of total value annually over the 1965-67 period. These rental rates, in combination with rising land values, often make farmland compare favorably with other investment opportunities. (5)

resources in the area, though the contest is by no means even. So uneven is it, in fact, that barley was never grown on more than 100,000 acres when the local farmer could plant freely. (Some 958,000 acres of crops are planted in a typical year.)

Wheat's main advantage is the lower cost of production, with an estimated edge in 1970 of about \$1.49 an acre. And wheat historically brings in a higher price than barley.

In the absence of acreage restrictions, area farmers would presumably plant as much wheat as they could, with barley getting whatever land was left over.

This, then, is what farm production and costs in the 13 counties might look like in 1970,

according to projections for the area:

—Machinery investment would range from \$34,567 for the 1,000-acre farm in the study to \$85,775 for the 3,000-acre farm.

—Average total costs of production would be \$21.78 per acre for wheat and \$23.27 per acre for barley on the 1,000-acre farm. They would be somewhat lower on the 3,000-acre farm—\$19.21 per acre for wheat and \$20.60 for barley.

Typically, farms would run to 1,231 acres and there would be 44 percent fewer of them, compared with 1949.

Most important, the study reinforced the common observation that prices—within the range that prevailed from 1946 to 1965—would have little effect on future output. In recent years, in fact, farm programs and weather were the only significant factors associated with supply levels of wheat and barley.

Unless price patterns are noticeably different in the 1970's than they are now, or unless research offers a significant cost-cutting technique, the dryland farms in the southeastern Idaho area may be feeling even more economic pressure. (4)

Lost or Strayed: 42 Million Acres Of Farmland; ERS Discovers Where

Forty-two million acres of open farmland lost in 50 years. That's what happened in the 31 Eastern United States between 1910 and 1960.

This startling statistic was reached after subtracting woodland acres from total farmland reported in the Censuses of Agriculture from 1910 to 1959. The residual—defined as "cleared" farmland—was examined for reasons why this occurred.

The most obvious candidate, urban expansion, isn't to blame for most of this net loss. The amount of land that moved from

LAND AND MARKETINGS: Gross sales from a farm business depend pretty much on the total value of the land and buildings controlled by the operator. The top 5 percent of the farms in 1964—those grossing \$40,000 or more—had average sales of \$106,000 and farm real estate valued at \$290,000. This group of farms accounted for a fourth of the total value of all farm real estate and two-fifths of the total sales of farm products.

Class of farm by gross sales	Farm real estate —	
	Share of total value	Value per farm
Commercial:	Percent	Dollars
— \$40,000 or more	25.8	290,503
— \$20,000-39,999	18.1	110,607
— \$10,000-19,999	19.7	67,521
— \$5,000-9,999	13.3	42,000
— \$2,500-4,999	7.8	28,030
All other	15.3	18,223
All farms	100.0	50,646

plow to pavement during the 50-year period was small compared with the acreage simply abandoned from cropping or pasturing because it was unsuited to the needs of modern agriculture.

These are some of the findings of an ERS study of changes in 31 Eastern States. Here are some other study highlights:

—Approximately 65 million acres of openland were withdrawn from cropping between 1910 and 1960 while 22 million were added. The result was a net loss of more than 42 million acres. Net changes in county totals accounted for these acreages.

—About 18 million of these lost acres were in the 314 counties defined by the Census Bureau as metropolitan areas. But more than a tenth of these metropolitan counties (including all those in Florida, half in Alabama and Mississippi, and a third in Louisiana) actually increased their acreage of cleared farmland between 1910 and 1960.

—Slightly more than 7 million acres were abandoned because a major crop moved out. For example, the declining economic importance of cotton in the

Southeast, particularly in the southern Piedmont of Alabama, Georgia, and South Carolina, was associated with the abandonment of 5.9 million acres between 1910 and 1960.

—More than 31 million acres were withdrawn from farming simply because they were not adaptable to modern farming methods. In some cases the soils were too shallow, too sandy or too infertile for efficient farm production. In other areas, the land was too steep or too broken for tillage by modern machinery—and the land was abandoned to brush. (6)

Census Statistics Paint a Portrait Of Nation's Commercial Dairymen

Age: 49. Occupation: Commercial dairy farmer. Gross income: \$16,500.

This is a profile of Mr. Average Commercial Dairyman, at the time of the last agricultural census taken in 1964.

Of course, Mr. Average probably never existed—for he was a composite of all the characteristics of all the 367,000 commercial

dairy farmers in the United States. Nevertheless, he's still a fascinating man.

In 1964 he had 31 milk cows in his herd, five more than in 1959. The value of his land and buildings, at \$42,970, had also shot up by \$11,680 since 1959.

By definition, Mr. Commercial Dairyman received most of his farm income from dairying. (This is what set him apart from the 274,000 other U.S. farmers who did sell some milk and cream in 1964—generally as a sideline to other farm and nonfarm enterprises.)

The 1964 income picture stacked up something like this:

Commercial dairy farmers averaged \$14,590 from the sale of farm products in 1964. Dairy products contributed \$11,140, roughly 76 percent, of the total. Sales of cattle and calves, primarily cull dairy cows and dairy calves, were valued at about \$1,470.

Off-farm income, estimated in 1964 for the first time, averaged about \$1,910. (This figure included government program payments.)

For the year, commercial dairy farmers' gross incomes averaged about \$16,500 from farm and non-farm sources.

Off-farm earnings of commercial dairy farmers weren't counted in 1959. Their average gross farm income, however, was only \$10,800 that year. Dairy sales contributed \$7,840, about 73 percent, of the total. Sales of dairy cattle and calves added another \$1,290.

Commercial dairy farms have accounted for an expanding proportion of total milk marketings and total milk cows in recent years.

In 1964, these farms had 87 percent of total milk and cream marketings and 76 percent of all milk cows. A decade earlier, they accounted for only 72 percent of marketings and had only 53 percent of the milk cows. (29)

Louisiana's Rice Yields Go Up, Up, And Away—Thanks to New Varieties

Ten years ago Saturn meant nothing more to Louisiana rice farmers than a planet millions of miles away.

Today it's just about the biggest news on the Louisiana rice scene.

Saturn is one of three new rice varieties, released since 1962, which have helped to boost yields by 35 percent in the short space of 5 years. The other newcomers are Nova and Gulf Rose.

In 1966, yields from the new breeds of rice in Louisiana were averaging about 4,555 pounds per acre—560 pounds more than older varieties in the area.

Louisiana farmers have been quick to adopt the new varieties. Saturn, for example, was planted on only 0.1 percent of the area's rice acreage in 1964. By 1967, the variety claimed over half the total riceland.

Meanwhile, acreage planted to the older varieties (principally Nato and Bluebonnet) dropped from 89 percent to 32 percent of the area total.

The economic importance of new varieties to Louisiana (estimated on planted acreage in 1966) was an additional \$7 million—or an increase in gross farm income of \$2,400 per rice farm in Southwest Louisiana.

Pronounced as yield increases have been, the economists noted that yields could have risen still

further if farmers had been fertilizing at higher rates.

Analysis of plot and field data from the Louisiana Agricultural Experiment Station indicated that yield levels of 5,050 pounds for Bluebonnet, 4,668 pounds for Nato, and 5,442 pounds for Saturn were possible from applications of 100 pounds of nitrogen fertilizer.

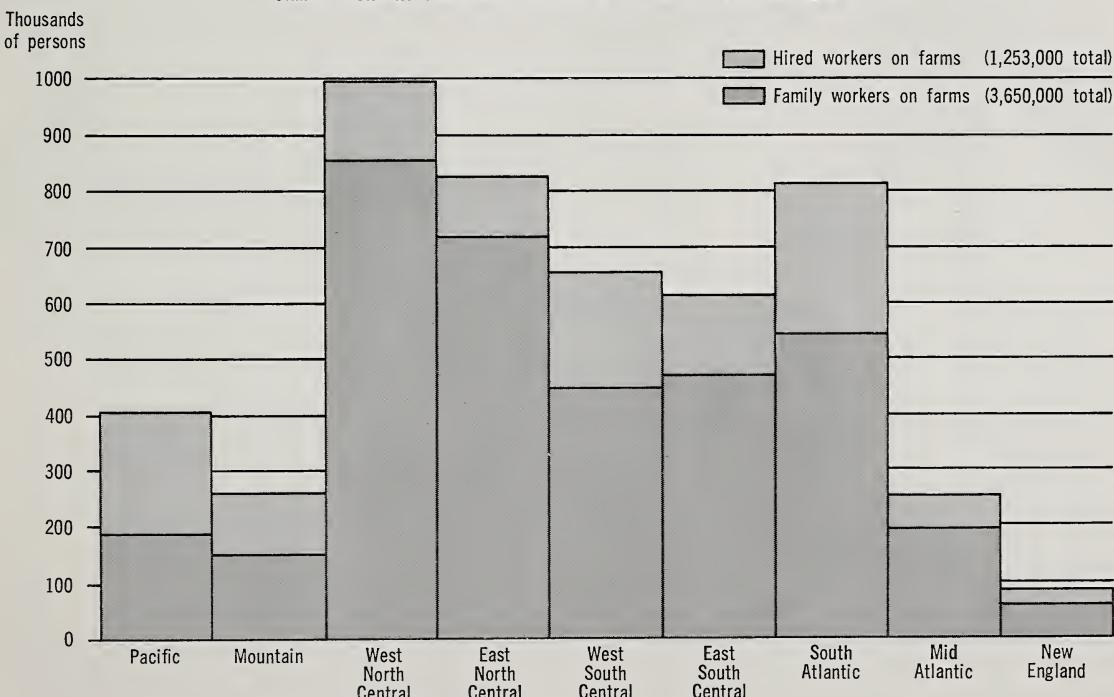
However, fertilizer rates associated with 1966 average yields showed farmers were using only 50 pounds of nitrogen—or half as much as was necessary to maximize yields.

For an increased expenditure of \$6.50 for fertilizer, farmers could get an increase in per acre returns ranging from \$25 for Nato to \$70 for Saturn. (8)

OUR FARM LABOR FORCE: Annual average farm employment during 1967 totaled 4,903,000 workers—6 percent fewer than in 1966. Family labor comprised nearly three-fourths of the total employment.

Only in the Pacific Region did the number of hired workers top that of family workers. Large amounts of supplemental hired labor are still essential to tend the region's many fruit and vegetable crops. (9)

FAMILY WORKERS COMPRIZE THE BULK OF THE NATION'S FARM LABOR FORCE



USDA ERS NEG 5673-6(6)

SUMMER
HOLIDAY
HARVEST



The vacation farm can be a part-time effort or a full-time job. How much profit the operator can reap depends a lot on the labor and capital he's willing to put into it.

Farmers interested in starting recreation enterprises may already be planning for next spring.

Other farmers have done it; some successfully, some not.

ERS has explored the stories of 16 of the 27 "vacation farms" existing in Wisconsin during the 1965 season. Some operators devoted only part of their time to their recreation effort. Others were devoted to it full-time.

Recreation income for 10 of the farmers was less than 20 percent of their farm income.

Four "major" enterprises had recreation incomes amounting to more than 20 percent of their farm income.

The other two were full-time entrepreneurs whose sole income was from recreation.

Here's a look at some of the other factors involved:

—"Sprucing up the property" to establish a recreation business can cover a wide range of improvements. It may only mean repairing the farm house and adding a playground or pond. Or it may mean completely converting the place to a vacation farm.

Investments in recreation reflect this variety of adaptations. Costs of initial investments went from an average of \$1,000 for the smallest businesses—less than 3 percent of the total investment in the farm—to over \$180,000 for the full-time recreation farm.

Where recreation was a major part of the farm operation, recreation investment averaged \$17,000—about 44 percent of the total farm investment.

Nine of the 16 operators had borrowed money for recreation development or expansion from 1960 to 1965, and some had debts outstanding at the end of 1965.

Farmers with small enterprises were thinking in terms of adding additional campsites, laundry facilities, and remodeling the farm house.

Swimming pools and additional guest rooms were tops on the list for farmers with major enterprises. The two full-time recreation businessmen were thinking of building swimming pools and adding cocktail bars.

Average costs for these capital improvements ranged from just over \$1,000 for the smaller efforts to over \$20,000 on the full-time vacation farms.

—Rates varied according to the kinds of services and recreation facilities provided. Some farmers gave their guests board and room in the farm home for about \$56.00 per week for an adult. Others preferred to lodge guests in separate cabins or trailers and not provide board. Rates for one adult in this situation averaged \$32.00 per week.

Cabins equipped with cooking facilities rented for an average of \$65.00 a week. With home cooked meals provided, average prices rose to \$130.00 a week for an adult guest.

Where the farmer provided only campsites, a whole family could spend a week for an average of \$12.00.

Usually a farmer with a recreation sideline tries to find out what others in similar businesses are charging and adjusts his rates accordingly.

—What did it cost the farmers to maintain their recreation businesses? For the part-time business the minimum was not quite 12 percent of the operator's total costs associated with farming and recreation. The maximum for the major enterprises was almost 50 percent.

Returns to family labor and management averaged \$6.00 per day in the smaller business, and \$19.70 per day in the full-time business.

Net recreation income averaged

only \$530 for the small operator, and nearly \$18,000 for the full-time recreation farmer.

—Going in to the recreation business entailed some changes in farming patterns for about half of the farmers interviewed. This usually involved cutting back one aspect of farming, such as dairying, and converting efforts to an enterprise more compatible with the added demands of the recreation business.

Nine of the 16 farmers hired outside labor. The difficulty encountered in finding and keeping desirable help was often their greatest problem. At the two large, full-time vacation farms, duties included cooking, waitressing, maintenance, and farm help. Wages averaged from \$1.25 to \$1.50 per hour plus board and room.

—None of the operators had problems meeting State health regulations. But 11 said that high costs of liability insurance and real estate taxes limited the scope of their businesses.

—Costs for advertising averaged as low as \$68 for the part-time enterprises to over \$5,000 for the full-time businesses. Operators of major enterprises spent an average of nearly \$400 on advertising. Most popular media were newspapers, personalized brochures, and recreation associations.

A vacation farm, intended to provide supplemental income, seemed to require primarily good organization. However, where the vacation farm was intended as the major source of income, large capital investment was the most important factor.

And what does the customer want?

Usually he's happy with the great outdoors, sharing in the various facets of life on the farm. Supervised play for children appeared to be always welcome, as well as "extra" fun like fishing, riding, barn dances, and home cooking. (10)

Attitudes May Count As Much As Economics in Developing Resources

Water doesn't pay much attention to fences or county lines. And you can't always tell what the people want to do with it.

This makes for complicated resource management.

Take a look at a recent survey on agricultural drainage in a Midwestern State. Many landowners and farm managers in the State envisaged the economic advantages and feasibility of developing or improving farmland drainage.

Their ideas were borne out by separate budgeting studies.

But only one out of five farmers thought they might go ahead and make the investment. Why?

Over half the farmland in the study area was controlled by farmers over 45 years of age. And 90 percent of them didn't

Who's Retiring?

Some men reaching the age of 50 begin to think about retiring and taking it easy. But a lot of them don't.

A recent survey in Iowa indicates that many men not only go on working after they are 50, but also past 65, and even beyond 75.

The survey covered 359 farmers, 335 factory workers, 467 merchants, 388 salaried professionals, and 373 self-employed professionals. All were over 50 years old and actively working.

The farmers in the survey said they worked an average of 63 hours a week. Merchants said they worked a 60-hour week. Salaried and self-employed professionals said they worked 50 hours. And factory workers put in a 41-hour week.

As the men grew older, their work weeks got a little shorter—except for the factory workers, whose on-the-job hours are more regulated.

Farmers over 75 years old still report long work weeks. Merchants and professionals in the same age group put in around 45 hours. (12)

want to mortgage their land to obtain capital for drainage investments.

For the most part, they were established farmers and the prospect of increased incomes didn't provide enough incentive, even though the risk was low.

Economic decisions concerning the management of resources are complex. People are involved—and their attitudes matter.

These attitudes and other cultural forces, as well as economic pressures, affect resource development programs.

Community attitudes toward resource development and economic welfare are important. Adherence to traditional views, tenets of self-sufficiency and individualism might stymie group efforts to develop water resources—especially where the benefits don't accrue directly to those bearing the costs.

And sectional interests might override concern about development opportunities in other localities or areas.

So, though there may be benefits inherent in a program of farmland drainage, the individuals and groups involved may have their own reasons for not wanting to participate.

Economic research on natural resources usually covers what ought to be done. It rarely explains people's attitudes.

More sociological research to understand and deal with these attitudes could be helpful to program planners.

Some questions might be: How do people learn about resource development? Would educational programs be helpful? What motivates people to cooperate (or not cooperate) in resource development plans? What kind of planning organizations can work effectively?

All of the relationships between public and private interests need to be studied to provide improved information for the participants in our Nation's resource development. (11)

ERS County Countdown Compares Levels of Living on American Farms

The next agricultural census will probably show that most farmers in America have a higher level of living than they did in 1964.

(The level-of-living index is the measure of five indicators of economic well-being on the farm: value of sales per farm; value of land and buildings; family ownership of telephones, home freezers, and automobiles.)

The data from the 1964 Census of Agriculture showed that, in comparison to the level-of-living index for 1959, the average U.S. farmer had upped his level of living by more than 20 percent.

To get a look at characteristics of farm families at different levels of living, ERS economists, using data from 1964, ranked

The Farm People

The number of people living on farms in the United States continues to dwindle, but the farm population is far from disappearing.

As of April 1967—the latest date for which figures are available—the preliminary farm population estimate was 10,817,000.

Since 1960, numbers have dropped by 4.8 million persons—an average decline of about 5.3 percent a year.

The nonwhite farm population has continued to decline at a much faster rate than the total farm population—about 10 percent annually—and now accounts for only about 12 percent of all people living on farms.

Of the total farm population in April 1967, 28 percent were under 14 years of age. Children made up 40 percent of the nonwhite population, 26 percent of the white.

In contrast to the nonfarm population — where there are more women than men—on the farm there were almost 107 farm men for every 100 farm women tallied last year. (13)

the counties of the United States and then divided them into five groups ranging from the highest level of living to the lowest.

Some of their findings include the following:

—Over half of the part-time farms and almost 60 percent of the part-retirement farms are in the two lowest groups.

—In the counties with the highest level of living, only 8 percent of the people over 25 years old in farm operator households had less than 8 years of school. This percentage rises to 37 percent in counties of the lowest group.

—The percentage of persons in farm operator households who are over 25 years old and have completed high school declines from 38 percent in the first group to 15 percent in the last.

—Only 8 percent of all persons in farm operator households are nonwhite. Almost 85 percent of them are in counties listed in the two lowest groups.

—Although living conditions in many southern counties have improved markedly, almost 93 percent of the counties with the lowest level of living are found in the South.

—Counties in the lowest groups also appear to have larger proportions of persons over 65 years old. (14)

Hardwoods Could Add Up to Hard Cash for New Hampshire Farms

"Rural poverty" conjures pictures of Appalachia and the Deep South. But it exists elsewhere as well. In New England, for instance.

In 1959, when the last census of population was taken, 30 percent of the farm families in the "North Country" of New Hampshire had incomes under \$3,000. In 1964, the year of the last agricultural census, only two-thirds of the farms located in this area

were commercial, and of those less than half had sales of over \$10,000 for the year.

Many of the farm families are able to supplement their farm income with off-farm work. Over half of all farm operators reported working off their farms in 1964. In 40 percent of the

farm households a household member other than the farm operator also worked off the farm.

Not all farm people in the North Country are able to find other work. At least 20 percent of the farm operators are over 65 years of age. And one half of the farm operators have not completed high school.

But the area has an important resource that's not being fully used—trees.

Each year more farmland acreage is reverting to forest. In 1964, 67 percent of the farmland was forested—compared with 60 percent in 1945. From 1945 to 1964, average acres of woodland per farm increased from 89 to 177 acres. At the same time, the average size of farms increased from 146 to 263 acres.

Farmers in the North Country own 10 percent of the 2.4 million acres of commercial forest land. But so far forest products are not contributing much to farm income.

Sales of forest products in 1964 equaled only 5 percent of the total value of farm products sold. And only a third of the farm operators reported any sales of forest products.

The U. S. Forest Service projects an 80-percent increase in demand for forest products by the turn of the century. And there is sufficient hardwood in northern New Hampshire to support the expansion of its wood-using industries and the introduction of new ones.

To a large extent, future growth in northern New Hampshire will be dependent upon the expansion of new and existing forest industries in the area.

Whether New Hampshire farmers would be willing to harvest forest products from their land will depend not only on the growth of demand for forest products, but also on the profitability of alternative uses for the farmers' labor, capital, and woodlands in the future. (15)



MERCHANTS AT THE CROSSROADS

Used to be, the small merchant at the nearest crossroad got the farmers' trade. Today he is often bypassed as farmers buy and sell farther afield.

Changes in agriculture are creating both opportunities and problems for businessmen in rural America.

The most obvious of these changes affecting businessmen is the long term decline in farm numbers and farm population. Total farm numbers dropped from 4.1 million in 1959 to 3.1 million this year. And by 1980, the total number of farms may be an estimated 29 percent fewer than today.

Along with this change, there has been a shift in the composition of inputs used on farms. Farmers are using less labor but are buying more goods and serv-

ices from nonfarm businesses.

What do these changes denote for the rural businessmen?

For one thing, bigger expenditures by farmers for production inputs—machinery, fertilizers, feeds, pesticides, etc.—point to a larger total volume of business for those who manufacture and sell the goods and services that farmers buy.

This year farmers are spending the record amount of \$35 billion to operate their farms and ranches. In addition, they'll be buying everyday living items out of an estimated net farm income of probably over \$15 billion and income from other jobs.

Overall it appears that the economic potential of farm supply businesses is quite good. But the success of individual merchants will depend largely on their ability to increase efficiency and keep up-to-date on changing technol-

ogy and its overall effects.

The more successful merchants will probably be those that make the greatest effort to assist farmers in selecting from the ever-increasing stock of machinery, chemicals, seeds, and other inputs.

There is little doubt that changes in the structure of farming are increasing the buying power on farms. But the same changes, too, are gradually affecting the economic vitality of our whole rural network of small towns and cities.

The need for a big farm population to till the soil has been largely removed by technological developments in farming. This has spelled a steady drop-off in farm jobs and farm workers living in rural communities.

While the U.S. population has increased by over 18 million since 1960, the farm population has



shrunk by almost 5 million—with the sharpest decline in numbers of middle-aged and young people.

These statistics are probably the chief reason for pessimism about the future for rural merchants, particularly those not engaged in supplying production inputs to farmers.

Another reason for pessimism is the fact that rural customers are much more mobile than they used to be. And this constitutes a special hardship for merchants in small towns and villages.

Farm equipment dealers, grain elevator operators, and others who sell farmers' needs are finding that the increased mobility of their customers has tended to change their buying habits as well as their habitats.

To a large extent, the network of rural towns and cities was laid out on a horse-and-buggy system. Horsedrawn transportation lim-

ited the distance a farmer could ride to buy supplies or to sell his produce. The effect of current trends in farming is to greatly enlarge the volume of business or size of market required for efficient operation.

Today, there is considerable evidence that farmers drive right through their local small town enroute to a larger trading center. Merchants are often faced with relocating to larger trading centers or adjusting operations to a declining volume of business. They often must increase their own investment in facilities and inventory and provide more credit for their customers.

Farmers are looking for the merchant who can provide the best deal in terms of volume discounts, credit terms, timely and complete service, and accurate technical advice.

As farmers become fewer in

number they may gain a certain leverage with firms competing for their business. But mainly they are more demanding because of their own business pressures.

Rural businessmen who cannot actively counter the forces exerted by current agricultural trends may be forced to close down.

But some merchants in traditional farming communities are finding ways—and will so continue—to expand their trade: by relocation; business improvements; new lines of goods or services; or by reaching new customers.

These are the small businessmen whose good customers in the farming community today will be even better ones tomorrow because they are adjusting their old ways of business to meet new demands of customers. (16)

Southern Jacks of All Egg Trades Master Many Jobs To Parlay Profit

Our agricultural age is one of specialization as a rule, but there are exceptions to every rule.

Consider the egg marketer in the South. He diversifies his operations to encompass all phases of the egg business.

A recent Southern Regional analysis of the egg-marketing system in that area explores the maze of crossovers between farm input suppliers, egg producers, and egg marketers. And the egg marketer in many instances wears all three hats.

Included in the survey were 283 egg-marketing firms in eight Southern States. These firms handle 16 percent of the Nation's egg supply and two-thirds of egg supplies for the eight-State area in which they operate.

And each firm markets a lot of eggs. The weekly volume ranges from 400 cases (140,000 eggs) to 6,000 cases.

Most of the marketing companies covered in the study are

Pipe-In

Pipe smoking—long a symbol of peaceful philosophic contemplation—is on the rise in the United States these days.

The reasons are many but probably are related to a smaller gain in cigarette sales this year than last.

Nevertheless, it's a fact that total use of smoking tobacco—the kind used in pipes and roll-your-own cigarettes—is estimated at 70 million pounds for the fiscal year ending June 30, 1968. And this is 6 percent above the longtime low of 1966/67.

From June 1967 through March 1968, U.S. smokers had already bought 52.1 million pounds of various cut, granulated, shredded, aromatic, processed, and blended smoking mixtures. This was 5 percent more than they did during the same period the year before. (30)

involved more or less—and sometimes completely—in producing the eggs they market:

—Six out of 10 own a flock.

—Four out of 10 contract with poultry farmers for eggs.

Altogether, at least half of the firms either raise or contract for over half of the eggs they market.

The processing jobs (washing, candling, sizing, and packing) and the distribution chore are also done through a variety of coordinating arrangements.

Nearly three-fourths of the marketing companies are engaged in processing. But nearly half of these firms also produce eggs they process.

The other one-fourth of the Southern egg marketers do concentrate on distribution, but don't exclude themselves from involvement in production, too.

To complete the interlocking jigsaw picture, about half of the 283 firms have farm supply businesses on the side.

Over 40 percent operate feed mills—often in combination with other businesses, such as hatcheries, poultry-dressing plants, feed and other supply stores, and pullet farms. (17)

Pound for Pound, One Fresh Fruit Tops All the Others in National Diet

From the following choices, pick the fresh fruit that you think Americans eat the most of today:

- Apples
- Oranges
- Peaches
- None of the above

If you picked answer d. you are right.

The fresh fruit that's No. 1 in popularity in the United States is one that's hardly even grown here:

Bananas.

Except for some commercial production in Hawaii, the bulk of the bananas bought and eaten in

the United States are shipped from countries with tropical climes.

And Americans tend to spend quite a bit of money and time buying and eating bananas. Average civilian consumption is about 18 pounds of bananas per person per year, which tops the comparable poundage figure for either fresh oranges or fresh apples.

We've been importing substantial quantities of bananas from South American and other tropical countries for a long time. And in recent years we've even upped our imports slightly on an annual basis.

The net 3.6 billion pounds of bananas imported by the United States in 1967, for example, was about 1 percent more than imports in 1966. And in the first 4 months of 1968, net banana imports again ran slightly ahead of year-earlier levels through April.

During the early 1900's, Hawaii was a sizable exporter of bananas to the United States. Shipments stopped with World War II, however, and never were re-

Rug Rundown

Scatter rugs slip.

Manufacturers' shipments of minisize rugs (4 by 6 feet or smaller) dipped 18 percent in 1967 from the previous year's figure. Included in this category are scatter rugs, bath mats, and sets.

On the other hand, bigger rugs did better in the marketplace. Shipments of tufted rugs and carpeting (including roll goods) that measured more than 4 by 6 feet gained 8 percent over 1966.

The 1967 shipment total for all tufted rugs and carpeting reached a new record of 421 million square yards.

Into this record yardage went 583 million pounds of rug yarns. Noncellulosic fibers claimed the largest share of rug yarn consumption—about 75 percent. Cotton, wool, and cellulosic fibers (rayon and acetate) represented 4, 6, and 15 percent of yarn use, respectively. (18)

sumed on the same scale. Today, Hawaii's banana crop of 6 to 7 million pounds a year supplies only a small fraction of the U.S. market.

On the whole, there is less year-to-year variation in supplies and prices of bananas than there is for other fresh fruits. (31)

Year's Supplies of Processed Tomato Products Likely To Be Biggest Ever

Record breaking supplies of all processed tomato items are in sight for the 1968/69 marketing season.

Carryover stocks on July 1 were up about a fifth from a year earlier, and a big increase in output is expected for all products—whole canned, catsup, juice, puree, paste, sauce, and maybe even dehydrated flakes.

Largest increase in pack and supplies will probably be in paste and sauce emanating from California—a leading producer of other tomato products as well.

Tomato plantings for processing in that State are placed at 228,000 acres, 22 percent larger than last year and 61 percent of estimated U.S. acreage of 375,880 acres. The national figure is 42,450 acres more than 1967 plantings and 3 percent above planting intentions of last March.

The heavy U.S. output and supplies of tomato products may make our U.S. market somewhat less attractive than last year to foreign suppliers—chiefly Western Europe, where there's been a strong buildup in productive capacity.

But there will be some imports as usual to supplement domestic supplies. Italy traditionally provides about three-fourths of our imported canned whole tomatoes, but Spain is coming up strong (and even Morocco). As for tomato paste, Portugal has now bypassed Italy as a source of imports for us and the world. (32)



SLICING THE STICK: Last year, margarine manufacturers had an alltime record output of 2.1 billion pounds.

Included as ingredients were 1.7 billion pounds of fats and oils, principally soybean oil. Use of animal fats and oils included a record amount of lard, but a very small proportion of beef fat. (19)

When Smoke Gets in Your Eyes, It May Be From an Extra-Long Cigarette

According to the cigarette industry, more people are smoking them extra-long these days. But not enough to lift the level of tobacco leaf requirements.

While trade reports indicate a further gain in 100-millimeter cigarette sales in early 1968, the rate of gain appears to be slower than in 1967.

Last year 100-mm. cigarettes accounted for 10 percent of cigarette output, compared with an estimated 2 percent in 1966.

Though the 100-mm. lengths generally have a longer tobacco column than other cigarettes, their increase in sales does not appear to be a significant factor in raising overall demand for tobacco leaf.

Tobacco content or cigarette length isn't a factor, either, when it comes to increases in State and local taxes since these apply on a per pack basis.

Rising taxes helped to up retail cigarette prices an average of 7 percent since June 1967. Since July 1, 1967, 15 States have increased cigarette tax rates.

The present 15-cents-a-pack tax in Florida (an increase from 8 cents during the past year) is the highest State cigarette tax in the Nation.

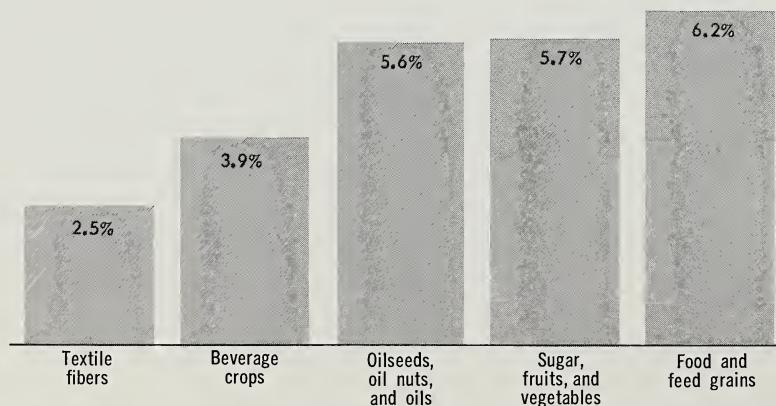
The New York State tax increased 2 cents on June 1; so in New York City, the State and City tax add up to 18 cents—the highest combined tax in effect in the country. (33)

THE FOREIGN SCENE

MANY LESS DEVELOPED COUNTRIES DEPEND HEAVILY ON A FEW FARM EXPORT ITEMS

Share of total export earnings:	Coffee	Tea	Cocoa	Cotton	Jute and sisal	Sugar	Cereals	Fruits and vegetables	Oilseeds and vegetable oils
80 percent and over				Chad		Fiji Mauritius Reunion			Gambia
50 to 70 percent	Brazil Burundi Colombia El Salvador Ethiopia Guatemala Haiti Rwanda Uganda	Ceylon	Ghana	Syria UAR (Egypt)		Antigua Barbados	Burma Cambodia	Ecuador Martinique	Congo (Kinshasa) Dahomey
20 to 49 percent	Angola Cameroon Cen. Afr. Rep. Costa Rica Dom. Rep. Ecuador Honduras Ivory Coast Kenya Malagasy Rep. New Guinea, Aust. Nicaragua Togo	India Malawi	Cameroon Ivory Coast New Guinea, Aust. Nigeria Togo W. Samoa	Afghanistan Cen. Afr. Rep. El Salvador Guatemala Mexico Nicaragua Peru Sudan Tanzania Turkey Uganda	Pakistan Tanzania	Br. Guyana Br. Honduras Jamaica Martinique Philippines Taiwan	Argentina Thailand	Afghanistan Br. Honduras Costa Rica Cyprus Greece Guadeloupe Honduras Israel Jordan Lebanon Martinique Morocco Mozambique Panama Somali Rep. Spain Turkey W. Samoa	New Guinea, Aust. Nigeria Papua Philippines French Polynesia Sudan Tunisia W. Samoa

AVERAGE ANNUAL GROWTH RATES IN VOLUME OF WORLD TRADE, 1951-65



THE IMPORT OF EXPORTS: The United States sells more than 450 farm commodities in markets abroad. But even our biggest agricultural export item, grains and preparations, accounted for less than a tenth of our total export earnings in 1965.

Less developed countries, however, often depend on one or two farm products as export earners. The Food and Agriculture Organization's Trade Yearbook lists 26 less developed countries that relied upon either coffee, tea, cocoa, cotton, sugar, cereals, fruits and vegetables, or oilseeds and vegetable oils for over half of their total export earnings in 1965. Forty-five other countries depended on these commodities for a sizable share of their sales abroad.

About a third of the countries studied were heavily dependent on exports of beverage crops — coffee, tea, and cocoa — although there was no sharp increase in the volume of world beverage trade during 1951-65. Few less developed countries exported much grain — though the global grain trade grew more than 6 percent annually during the same period. (20)

New International Grains Agreement Sets Ground Rules for Trade and Aid

On July 1, 1968, the International Grains Arrangement (IGA) became a rulebook for wheat trade during the next 3 years.

The Arrangement consists of two conventions: One is on wheat trade; the second is on food aid—providing to developing countries 4.5 million metric tons of grain, of which 4.2 million tons have been subscribed.

The first, the Wheat Trade Convention (WTC), replaced the International Wheat Agreement (IWA) of 1962. Its signatories account for nearly all commercial wheat exports and around 45 percent of all world wheat imports.

The new WTC is more specific than the 1962 Agreement in setting price ranges for the various types of wheat. It also sets higher minimum and maximum prices.

For example, the IGA minimum price for U.S. Hard Red Winter wheat No. 2, ordinary protein, exported from Gulf ports is now \$1.73 per bushel. Because of abundant domestic supplies,

however, recent U.S. domestic wheat prices have been low. So when the United States ratified the IGA on June 17, USDA—acting under authority of the Food and Agriculture Act of 1965—began to require export certificates (inverse subsidy).

These certificates cost the exporter 18 cents per bushel to bring the U.S. price at that time up to the \$1.73 minimum for buyers in the world market. Export certificate costs since then through mid-July ranged between 13 cents and 23 cents, averaging about 18½ cents.

When U.S. domestic prices go above the IGA maximums, payments will be made to exporters to keep U.S. wheat competitive in world markets.

The export-certificates/export-payments system has day-to-day flexibility: if total certificate costs exceed total export payments during the marketing year, the difference will be distributed among producers participating in the wheat program.

Thus, U.S. wheat farmers and their counterparts in other wheat exporting nations benefit by the stabilizing effect of the minimum price provisions of the Arrangement. Wheat importing nations, in turn, expect to benefit from the stabilizing effect. (34)

Oil Strike in Saskatoon

"Oro" is the name of an improved rapeseed variety developed at the Canadian agricultural experiment station in Saskatoon, Saskatchewan.

The oil extracted from Oro is called Canbra. And since it is relatively free from fatty acids (eicosenoic and erucic), it could become a competitor in the field of vegetable oils used by manufacturers of salad oil.

In trial plantings, seed yield of Oro has equaled or bettered that of the present leading Canadian rapeseed variety, Tanka. It also matures 1 or 2 days earlier.

To maintain purity, seed production is limited this year to contract producers whose plantings of the new variety are estimated at in the range of 8,000 to 10,000 acres. (21)

Northern Neighbor Is No. 2

Next to the United States, Canada is the second largest supplier of food aid for emergency assistance and development purposes.

Last year Canadian food aid was reported at \$100 million. Though this equaled only about 7 percent of the value of U.S. food assistance, the figure was up sharply from the \$15 million Canada gave annually in 1963-66.

India, generally, is Canada's chief recipient of food aid. Most of the aid to that country continued to consist almost entirely of wheat, but milk, flour, and dry peas were also supplied. (22)

mestic production.

The Department of Agrarian Services guarantees prices to producers of rice (spices and a number of vegetables, too), and this rice subsidy was raised about one-fourth in 1967. At the same time, imports of improved seed and fertilizer were sharply increased, and rice farmers were sold fertilizer at 50 percent of actual cost.

As part of the payoff, the 1967 rice harvest rose to about 1.2 million tons of paddy, compared with 964,000 tons in 1966.

This meant that the Ceylonese themselves grew about 70 percent of the rice they ate last year. In most prior years, the home-produced volume has been less than 60 percent of needs.

The recent addition of 100,000 acres of newly irrigated rice fields in the Gal Oya Valley is expected to swell this year's rice harvest another 100,000 tons. Workers of these fields will be using high-yielding seed varieties, fertilizer, and tractors. The Uda Walawe Dam will supply the water.

Output of other crops, too, is increasing—potatoes, onions, chili peppers, and cabbage among them.

On the food-processing side, a new flour mill is slated to open

Ceylonese Farmers Swell Volume Of Homegrown Rice—and Side Dishes

Ceylon appears to be on an agricultural upswing.

Farmers of the nation produced over 10 percent more food in the 1967/68 crop year than they did the previous season. And programs are now underway to boost food output at least another 10 percent this year.

A shortage of foreign exchange and the lack of Burmese and Thai parboiled rice for shipment to Ceylon has intensified the latter's efforts to increase do-

late this year in the harbor area of Colombo. The building and wheat storage bins are already completed. Under the operation of the national Food Commission, the mill will be able to convert 70,000 tons of wheat a year into 50,000 tons of flour—about 10 percent of Ceylon's yearly flour use.

Flour accounts for a major part of Ceylon's imports from the United States. Last year, however, agricultural imports from us also included a large shipment of ammonium sulfate and about \$150,000 worth of vegetable seeds.

In turn, we rely on Ceylon as our chief supplier of tea—over \$24 million worth annually. (23)

Tipperary Scores an Export Hit As First Grain Shipment Is Recorded

It's a long way to Tipperary. But when that Tipperary is located in Australia, a trip from there to Tokyo is somewhat shorter than it is from Texas.

That is one reason for U. S. growers and traders of grain sorghums to be interested in a

13,000-metric-ton shipment of grain sorghums recently exported to Japan by the Tipperary Land Corporation.

The corporation is based in an agricultural development area about 100 miles south of the port of Darwin, where the shipment was bulk-loaded with equipment specially adapted for the grain.

The cargo was the first commercial grain export from Australia's Northern Territory. It represented the major part of the Tipperary sorghum producers' first harvest of about 16,600 tons from plantings on 12,000 acres. Yields were reportedly around 1½ tons per acre. (This would be comparable to U.S. yields.)

The Tipperary corporation, partially financed by U.S. private capital, plans to extend its grain sorghum plantings to 24,000 acres for the next crop, and to 192,000 acres by the end of 1971. With the current yield—and a price of \$50 a ton—the crop would then yield about \$10 million in a single year.

All of the future Tipperary crop is said to be under contract for export to Japan. Trade

circles there estimate potential export volume from the new producing area as high as 500,000 tons by 1972.

At present, the United States supplies almost all of Japan's increasing grain sorghum needs for its expanding livestock industry.

Last year, grain sorghums from the United States accounted for 2,242,235 tons of Japan's total sorghum imports of 2,628,199 tons.

At the same time, Japan is by far our best customer for this commodity. Its imports from us in 1967 made up about half of our total grain sorghum export volume of 5,795,000 tons.

While total Australian production of grain sorghums is not large, it has risen rapidly in recent years. Between 1948 and 1952, plantings averaged only about 12,300 acres and yielded 75,000 metric tons annually. By 1966, area in sorghums had jumped to 500,000 acres with a harvest of over 300,000 tons.

This quantity, however, is still only a grain in the bin compared with U. S. plantings of over 15 million acres in 1967 and a harvest of 19.2 million tons. (27)

Foreign Spotlight

INDIA. Value of agricultural imports dropped slightly in 1967 to \$1,000 million after climbing from only \$613 million in 1963 to \$1,063 million in 1966. The United States usually supplies about half of these imports (\$539 million in 1966 and \$530 million in 1967)—mostly under P. L. 480 programs. And about half the U.S. shipments are wheat; a fourth, other grains.

TAIWAN. A new, government-owned nitrogen fertilizer plant at Hsinchu, northern Taiwan, is expected to produce 100,000 metric tons of urea and 150,000 tons of ammonium sulphate a year. Officials of the Economic Affairs Ministry expect the \$25.6 million plant to make an annual profit of \$5 million.

MEXICO. Enjoying its most prosperous period in history, Mexico's annual rates of growth have averaged 7.1 percent over the past 5 years. In 1967, the gross national product rose 6.4 percent; the general cost of living in Mexico City rose only 2.9 percent.

EL SALVADOR. The Rural Colonization Institute plans to buy more than 8,500 acres of land within the next year for division into farm units for about 700 families.

CHILE. Under AID-supported cattle import programs, 5,000 Polled Herefords from the United States have already been steered to Chile in the largest single U.S. sale ever made. The current AID loan program provides for further imports in sizable volume. (35)

What women take to the store—not just in their purses but in preconceptions of fashions and fabrics—helps determine why they buy the clothes they do.

FINERY FOR THE FAIR SEX

"It's emotional."

"I think they know basically what they want—but after that, it's impulse."

"My wife must buy 'em with her eyes closed."

Ask a group of men why women buy the clothes they do—and you'll get some answers like those above.

Ask a group of women, however and you'll find they use a fairly complete mental checklist when buying clothes.

In a recent SRS survey, nearly 3,000 women from 18 to 65 were queried on their clothes-buying habits. The survey focused primarily on items of readymade clothing to be worn during warm weather.

Here are some of the opinions voiced by the interviewees:

For summer dresses, as for the other outer garments studied, nice appearance and good fit are women's major purchase criteria. After that, they want a dress that is cool, lightweight, and easy



to wash and iron. Wrinkle resistance and shape retention figure in buying decisions, but aren't uppermost in most women's minds.

Between-season dresses and knit dresses for warm weather are also supposed to look good and fit well. But women aren't particularly interested in the laundering characteristics because most wearers have these garments drycleaned. Instead, they want between-season dresses to be truly multi-seasonal and appropriate for wear on many occasions. Shape retention and warm weather comfort were prime requisites for knits.

When buying summer suits and skirts, the distaff side looks for a combination of wrinkle resistance, shape retention, and coolness—as exemplified by lightweight fabrics. Ease of care isn't considered too important in the case of suits—again because the majority have these drycleaned. But washability is a major factor in summer skirt choices.

Blouses, too, are bought with ease of care in mind.

Raiment Report

Most women, be they 25 or 65, own at least one summer dress and blouse. And most of them also have a whole slip and a half slip (alias petticoat) in their wardrobe.

But ownership of other garments depends a lot on age and income, judging by an SRS survey.

Only two out of five women, in a group of nearly 3,000, owned between-season dresses and suits for warm weather wear. Only one in four possessed a warm weather knit dress. By and large, it was the younger, more affluent woman who had these garments in her closet.

Most women, young and old, had some items of wash-and-wear fabric in their wardrobe. But stretch garments, excluding knits, were owned by only one-fourth of the women surveyed—and again, most of the owners were young. (25)

Undergarments (whole and half slips) are the only items where appearance is basically unimportant. When buying slips, fit is the No. 1 purchase criterion, followed by machine washability and the need for little or no ironing.

How about fabrics?

Cotton was cited in the clothing survey as the women's favorite fabric for most all summer clothing studied—dresses, knits, suits, skirts, and blouses. It met the two top requisites on most mental checklists—good appearance and fit. Interviewees also credited all-cotton clothes with being cool, lightweight, and easy to wash.

Cotton's major weakness, in the women's minds, was that it required too much ironing and wasn't wrinkle resistant.

Blends of cotton and synthetic fibers also ranked high with the women. They felt that blends had most of all-cotton's "plus" features, and at the same time required less ironing and were more wrinkle resistant. Blends and all-cotton garments commanded almost equal attention in the between-season dress department.

Lowest in the popularity poll were rayon and nylon. Both fibers were faulted for fraying and pulling at the seams, for being hard to iron, and for clinging to the body.

Many women considered nylon warm, although they still preferred it to other fibers in the case of slips.

Rayon was criticized for being "cheap" looking, easily wrinkled, and quick to lose its shape.

The women weren't textile manufacturers so they might, on occasion, have incorrectly reported on their fiber experiences.

Most women were pretty careful about checking fiber content before buying clothes. The majority said they read the label or tag on the garment—not only to see its contents but to determine its care requirements. (24)

Consumers Reap a Bountiful Bonus Of Peaches From Nation's Orchards

It's a peach of a year—at least for people who like peaches.

Now that the fresh peach season is tailing off, it appears that the Nation's peach trees were more heavily laden this year than they've been in the past 5 years.

And, in the wake of the plentiful fresh supplies, there's an abundance for canning, pickling, spicing, drying, freezing, and preserving.

Countrywide, the 1968 peach crop is estimated at about 3.7 billion pounds—38 percent more than the very small 1967 harvest, and around 6 percent above the 1962–66 average.

The bountiful crop has put peaches within reach of consumers' purses most of this summer and can be expected to do the same for processed peach products in the months that are ahead.

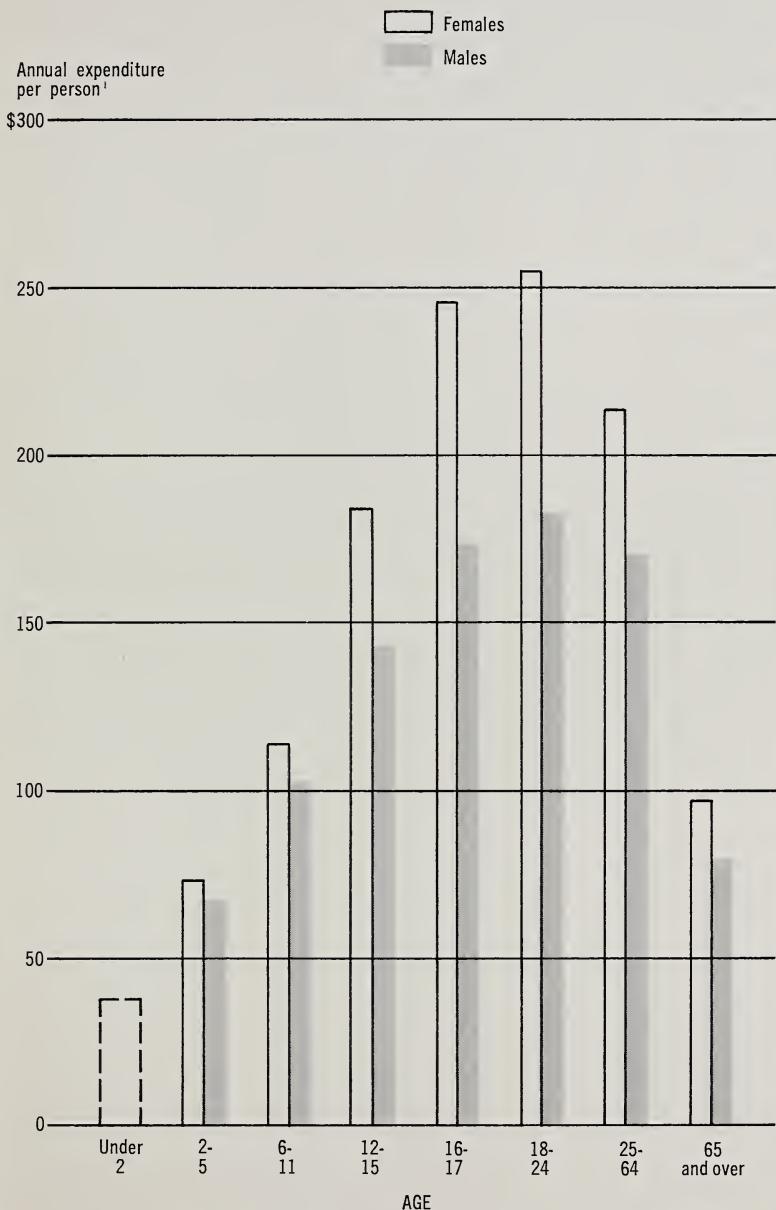
In any case, today's peach prices aren't like they were in the "gold rush" days when miners along California mission trails paid \$1 for a fresh peach.

But many of today's 100 commercial peach varieties are descendants of superior seedlings that sprouted in old mission orchards—and old New England orchards, too.

These varieties are usually called freestone or clingstone, depending on the difficulty in removing the pit from the fruit. The soft fruit of freestones (such as Elberta) is mostly used fresh or frozen. Canners prefer clingstones, with firmer flesh and fine aroma.

California, with clingstone varieties predominating, accounts for more than 60 percent of our entire national crop. And next come South Carolina, Georgia, New Jersey, and Pennsylvania—in that order. (28)

SPENDING FOR SPIFFING: It starts in early youth and never ends. No matter what age group, expenditures for female finery top those for males. However, the disparity between the two sexes' spending for spiffing is greatest in the 16 to 17 and 18 to 24 age groups. (26)



'Actual clothing expenditures have risen since these data were collected from urban families in 1960-61. But these data still show the basic differences in clothing bills between the sexes and the age groups. Clothing for boys and girls under 2 years old was not reported separately.'

USDA NEG ERS 5674-68(6)



AGRICULTURAL PRODUCTION AND TRADE OF ECUADOR. E. Leiserson, Foreign Regional Analysis Division. ERS-For. 218.

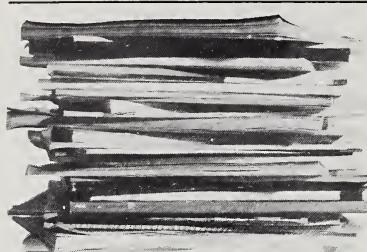
Recent developments in Ecuador's agriculture, trends in production and trade in agricultural products, and future prospects for U.S. agricultural exports to Ecuador are analyzed.

GEOGRAPHIC PATTERN OF FLUID MILK PRICES: A COMPUTER ANALYSIS. R. E. Freeman, Marketing Economics Division MRR-818.

The author's spatial equilibrium model for milk pricing is a tool for analyzing the geographic pattern of Class I prices in the Federal milk orders.

AN ECONOMIC ANALYSIS OF FACTORS AFFECTING THE ACREAGE OF CORN IN NORTH CAROLINA. B. H. Robinson, Farm Production Economics Division, and D. M. Hoover, N. C. State University (Raleigh). N. C. Agr. Expt. Sta. Tech. Bull. 182.

Among economic factors discussed are the changes in cultural practices during the past 20 years; introduction of new corn varieties; and rising costs of fertilizer and other in-



RECENT PUBLICATIONS

The publications listed here are issued by the Economic Research Service and cooperatively by the State universities and colleges. Unless otherwise noted, reports listed here and under Sources are published by ERS. Single copies are available free from The Farm Index, OMS, U.S. Department of Agriculture, Washington, D.C. 20250. State publications (descriptions below include name of experiment station or university after title) may be obtained only by writing to the issuing agencies of the respective States.

puts. The study includes an analysis of fluctuations in corn prices, tracing their fall from a wartime peak through the rise in recent years in response to Federal programs.

MARKETING AIDS FOR THE CATTLE FEEDER. R. J. Crom, Marketing Economics Division. MRR-819.

This report presents a set of simple estimators of nationwide placements of feeder cattle, marketing of fed cattle, and average slaughter weights for each quarter of the calendar year.

LONG-TERM DEVELOPMENT OF DEMAND AND SUPPLY FOR AGRICULTURAL PRODUCTS IN THE FEDERAL REPUBLIC OF GERMANY.

H. Schmidt and others, IFO-Institut für Wirtschaftsforschung, Munich, Germany, in cooperation with the Economic Research Service. Unnumb. Pub.

Demand for food will probably continue to outstrip production during the first half of the 1970's.

AN ECONOMIC ANALYSIS OF THE DYNAMICS OF THE UNITED STATES WHEAT SECTOR. W. Y. Mo, Economic and Statistical Analysis Division. Tech. Bull. 1395.

An econometric model, consisting of six equations, is set up by the author to measure the effect of various factors on long-run and short-run domestic consumption and prices of U.S. wheat.

Numbers in parentheses at end of stories refer to sources listed below:

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*Speech (S); published report (P); unpublished manuscript (M); special material (SM); *State publications may be obtained only by writing to the experiment station or university cited.*

ECONOMIC TRENDS

ITEM	UNIT OR BASE PERIOD	'57-'59 AVERAGE	1967		1968		
			YEAR	JUNE	APRIL	MAY	JUNE
Prices:							
Prices received by farmers	1910-14=100	242	253	255	259	260	259
Crops	1910-14=100	223	224	228	232	235	229
Livestock and products	1910-14=100	258	277	279	282	281	285
Prices paid, interest, taxes and wage rates	1910-14=100	293	342	342	353	354	354
Family living items	1910-14=100	286	322	321	333	335	335
Production items	1910-14=100	262	287	288	292	293	293
Parity ratio		83	74	75	72	73	73
Wholesale prices, all commodities	1957-59=100	—	106.1	106.3	108.3	108.5	108.7
Industrial commodities	1957-59=100	—	106.3	106.0	108.8	108.6	108.8
Farm products	1957-59=100	—	99.7	102.4	102.1	103.6	102.3
Processed foods and feeds	1957-59=100	—	111.7	112.6	112.8	113.6	114.7
Consumer price index, all items	1957-59=100	—	116.3	116.0	119.9	120.3	—
Food	1957-59=100	—	115.2	115.1	118.3	118.8	—
Farm Food Market Basket: ¹							
Retail cost	Dollars	983	1,081	1,080	1,110	1,115	—
Farm value	Dollars	388	413	426	439	434	—
Farm-retail spread	Dollars	595	668	654	671	681	—
Farmers' share of retail cost	Percent	39	38	39	40	39	—
Farm Income: ²							
Volume of farm marketings	1957-59=100	—	124	111	92	98	114
Cash receipts from farm marketings	Million dollars	32,247	42,788	3,223	2,851	2,997	3,200
Crops	Million dollars	13,766	18,383	1,239	821	856	1,200
Livestock and products	Million dollars	18,481	24,405	1,984	2,030	2,141	2,000
Realized gross income ²	Billion dollars	—	49.1	49.3	—	—	50.7
Farm production expenses ²	Billion dollars	—	34.8	34.9	—	—	35.9
Realized net income ²	Billion dollars	—	14.2	14.4	—	—	14.8
Agricultural Trade:							
Agricultural exports	Million dollars	4,105	³ 6,383	521	524	492	—
Agricultural imports	Million dollars	3,977	³ 4,454	365	439	434	—
Land Values:							
Average value per acre	1957-59=100	—	⁴ 166	160	⁵ 170	—	—
Total value of farm real estate	Billion dollars	—	⁴ 188.9	182.5	⁵ 193.7	—	—
Gross National Product: ²							
Consumption ²	Billion dollars	457.4	789.7	780.2	—	—	850.8
Investment ²	Billion dollars	294.2	492.2	495.5	—	—	527.1
Government expenditures ²	Billion dollars	68.0	114.3	107.6	—	—	126.1
Net exports ²	Billion dollars	92.4	178.4	177.3	—	—	195.6
2.7	Billion dollars	4.8	5.1	—	—	—	2.0
Income and Spending: ⁴							
Personal income, annual rate	Billion dollars	365.3	628.8	625.8	672.7	678.3	683.1
Total retail sales, monthly rate	Million dollars	17,098	26,125	26,544	27,620	27,981	28,044
Retail sales of food group, monthly rate	Million dollars	4,160	6,011	6,050	6,338	6,398	—
Employment and Wages: ⁶							
Total civilian employment	Millions	63.9	74.4	74.2	75.6	75.8	76.0
Agricultural	Millions	5.7	3.8	3.7	4.0	3.9	3.9
Rate of unemployment	Percent	5.8	3.8	3.9	3.5	3.5	3.8
Workweek in manufacturing	Hours	39.8	40.6	40.4	40.1	40.9	40.9
Hourly earnings in manufacturing, unadjusted	Dollars	2.12	2.83	2.82	2.97	2.99	3.00
Industrial Production: ⁶							
Manufacturers' Shipments and Inventories:	1957-59=100	—	158	156	163	164	164
Total shipments, monthly rate	Million dollars	28,745	44,745	44,583	47,742	49,348	—
Total inventories, book value end of month	Million dollars	51,549	82,425	80,119	83,956	84,254	—
Total new orders, monthly rate	Million dollars	28,365	44,999	45,757	48,266	49,335	—

¹ Average annual quantities of farm food products purchased by urban wage-earner and clerical-worker households (including those of single workers living alone) in 1959-61—estimated monthly. ² Annual rates seasonally adjusted second quarter. ³ Preliminary. ⁴ As of November 1, 1967. ⁵ As of March 1, 1968. ⁶ Seasonally adjusted. ⁷ Annual and quarterly data are on 50-State basis; monthly data are on 48-State basis.

Sources: U.S. Dept. of Agriculture (Farm Income Situation, Marketing and Transportation Situation, Agricultural Prices, Foreign Agricultural Trade and Farm Real Estate Market Developments); U.S. Dept. of Commerce (Current Industrial Reports, Business News Reports, Advance Retail Sales Report and Survey of Current Business); and U.S. Dept. of Labor (The Labor Force and Wholesale Price Index).

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Soapy Sales

Soap sales rose last year after slipping steadily for 20 years.

At 1.1 billion pounds, 1967 sales were up a solid 10 million pounds from the alltime low they hit in 1966. (Liquid soaps, scouring cleansers, and exported soap aren't counted in the national sales estimates.)

But the overall rise in soap sales wasn't enough to buoy per person use by the Nation's increasing population.

On a per capita basis, sales still averaged out to only 5.6 pounds—not a sliver more than per person purchases in 1966.

Back in 1947, the individual share of total marketings was 24.4 pounds of soap for latherings. Nationwide sales that year came to over 3.5 billion pounds—including bars of yellow laundry soap like grandma used to make with lye and "drippings."

(Inedible greases and tallow are still the major soap ingredients, along with coconut oil and small dashes of other fats and oils.)

The long downturn in soap marketings doesn't mean that the populace and their belongings go unwashed. Synthetic detergents now do much of the job.

Excluding most scouring cleansers and shampoos, synthetic detergent sales soared from 408 million pounds in 1947 to 5.2 billion pounds in 1967—or from 2.8 pounds to 26.1 pounds per person. (Major ingredients in household detergents are various chemicals, a number of oils—including petroleum—and foam-building fatty acids.) (96)

THE FARM INDEX

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